clerical cadre without consequential increase in the existing strength of staff as per the terms of MOU signed with Reserve Bank of India and a decision in this regard will be taken by it in due course. The bank has further reported that normally whenever the vacancies in JMG Scale-I are filled up, it provides reservation to SCs & STs at the rate of 15 per cent and 7½ respectively out of the vacancies declared as per the instructions of the Government.

Resuffle of equity basket by Bombay Stock Exchange

1107. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether BSE (Bombay Stock Exchange) plants to reshuffle equity basket soon;

(b) if so, what were the reasons which made it imperative for BSE to go in for a reshuffle of the equity basket: and

(c) whether all steps are being taken to protect the investment of low income and middle low people?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The Bombay Stock Exchange has indicated that, at present, it has no specific proposal to reshuffle equity basket.

(b) and (c) Do not arise in view of the answer to (a) above.

Guidelines to financial institutions by Government

1108. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued any guidelines to financial institutions on their role in the present economic climate of liberalisation;

(b) if so, what are the guidelines for financial institutions like IFCI and IDBI;

(c) whether any orientation or guidance is given to representatives of IFCI and IDBI on various boards of units in which they have financial stake; and

(d) the details of directions from Finance Ministry regarding the role and involvement of financial institutions in the new economic climate of liberalisation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a), (b) and (d) No specific guidelines have been issued by Government in this regard. However, Government have issued instructions to financial institutions (FIs) on certain subjects such as doing away with the mandatory convertibility clause and dispensing with the negative list of industries. It may also be added that Reserve Bank of India (RBI) have issued guidelines to FIs with regard to investment portfolio-transactions in securities and prudential norms for Income recomition, assets classification and provisioning.

(c) FIs have evolved guidelines in respect of nominee directors appointed by them on the Boards of assisted companies. The nominee directors are expected to act in the best interest of the company and also safeguard the interest of the FI concerned

Services by LIC to small investors

1109. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether LIC has not been giving adequate and good service to small policy holders all over the country;

(b) whether LIC is giving more attention and importance to its investments in equity rather than policyholders;

(c) what steps Government propose to re-orient the LIC to serve the policy holders;

(d) the steps taken by LIC in 1994-95 to help small policy holders; and

(e) if so, the details of such steps?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The Life Insurance Corporation of India (LIC) have reported that about 56 per cent of their business during the financial year 1993-94 came from policies where sum assured was Rs. 25,000 or less. Being a service institution they reported that they do not discriminate between small and big policyholders.

(b) Investments made by the LIC are aimed at maximising the returns to the policyholders on the premium income generated. This is an essential constituent of the service rendered to the policyholder. There is no conflict between the investment function and the interests of the policyholders. While the entire organisation of LIC at Branch, Division and Zonal levels strives to improve the customer service to the policyholders, the investment function which is highly technical is being handled centrally at the corporate office of the LIC.

(c) to (e) The LIC have reported that all the policyholders' services have been decentralised to Branches to render prompt and personalised services to policyholders at the nearest point. The LIC have set up Claims Review Committees at the Branch Office, Zonal Office and Central Office level to review the repudiated claims from time to time. Customers' Meets and Consumers' Education Programmes have been organised to educate the policyholders about the role of LIC and to know the expectations of the policyholders. Workshops have also been arranged for employees of most of the branches on customers' satisfaction and grievance redressal during the year 1994-95. Because of their continuous efforts to improve customer service, the LIC have reported that the complaints per thousand mean number of policies in force came down from 0.35 in 1990-91 to 0.23 in 1993-94.

Increase in Money Circulation

1110. SHRI CHIMANBHAI MEHTA:
SHRI G. G. SWELL:

Will the Minister of FINANCE be pleased to state:

(a) what are the factors that have pushed inflation into double digit;

(b) whether inflation is related to the process of liberalisation;

(c) if so, the details thereof and if not, the reasons therefor;

(d) whether Govt's internal borrowing is related to the process of liberalisation, if so, how and why;

(e) whether higher inflow of foreign currencies converted into rupee is intensifying inflation;

(f) whether the RBI is printing new currencies to convert foreign currencies into rupee and thereby increasing money circulation which causes inflation;

(g) what amount of increase has taken place in money circulation during the last three years; and

(h) whether Government follow the principle of growth of money circulation in accordance with the growth of GDP?